

## REMARKS

Claim 1 has been amended to include the limitations of claims 5 and 6.

Reconsideration of the application is respectfully requested for the following reasons:

1. Rejection of Claims 1, 5, and 6 Under 35 USC §102(e) in view of U.S. Patent Publication No. 2002/0069121 (Jain)

This rejection is respectfully traversed on the grounds that the Jain patent fails to disclose or suggest an inventory management system that includes the step of “*estimating a possible quantity of component parts supplied from the component part supplier based on spare parts records of the component parts supplier stored in the database* [of the inventory management system],” as recited in claim 1, followed by writing the estimation into a document and only then informing the supplier of the proportion of component parts to be supplied.

By utilizing **past records of component parts supplied by a particular supplier**, the claimed invention is capable of *estimating* the capability of the supplier to supply an optimum quantity of component parts withing a forthcoming period of time, and thereby of better estimating its own production capabilities. In contrast, the Jain publication discloses a system for querying suppliers of availability and taken action if a product is not available. Jain does not provide for estimates of supplier capabilities based on records stored in a database of the management system.

According to the claimed invention, the management system first estimates a possible quantity of component parts that a supplier can supply based on the past records of component parts supplied by the supplier. The estimated possible quantity of component parts is then written into a document having fields of the quantity, description, and proportion of component parts to be supplied, representing the manufacturing capability of the supplier with a forthcoming period of time. The supplier is then informed through a network connection, after the estimation

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has been made and written into the document, of the proportional quantity of component parts listed in the document, and confirmation is requested within a specified time interval. The replies are used as the basis for updating the database, thereby enabling the product manufacturer to base acceptance of orders for its products on part supplier inventory estimates, and thereby also enabling the parts supplier to effectively utilize its production line to meet the needs of the product manufacturer.

The Jain publication, on the other hand, discloses a system for checking product availability from various suppliers, and for automatically generating purchase orders if a supplier indicates availability. **There is no provision for estimating supplier capabilities based on past supplier records.** In fact, as noted in the second-to-last line on page 5 of the Official Action, Jain does not even teach spare parts inventory, much less estimating supplier capabilities based on spare parts records. Instead, Jain's system (which may operated by the customer or a trusted intermediary) simply asks potential suppliers for availability, generates purchase orders if assurances are received, and takes other action such as seeking human intervention if assurance is not received. It is of course known for a supplier to keep inventory records. What is not known is for the product manufacturer to track supplier capabilities in the manner claimed.

In order to understand the difference, it may be helpful to have a more concrete example. Suppose the product manufacturer makes aircraft. In the Jain system, the aircraft manufacturer takes an order for ten aircraft to be supplied in one year. It then contacts part suppliers and asks if they can supply the necessary parts (*e.g.*, ten thousand rivets) within the time frame when the parts are needed (*e.g.*, six months). When the parts suppliers receive the queries, they must determine if they in fact have the capability of supplying the parts, and respond, in which case purchase orders will be automatically generated. If it cannot find suppliers for the ten thousand rivets, however, it must go back to the aircraft purchaser and tell them the contract will be delayed.

According to the claimed invention, on the other hand, the aircraft manufacturer has a database capable of **estimating** whether the ten thousand rivets can be supplied, and by whom. It is much less likely to take an order that cannot be met, and most suppliers will already have demonstrated capability of supplying the proportion of parts requested. As a result, the system is much more efficient than that of Jain.

Because the Jain patent fails to disclose or suggest the claimed estimating step, or the step of writing the estimation into a document before informing the supplier of the proportion of parts to be supplied, withdrawal of the rejection of claims 1 and 5-7 under 35 USC §102(e) is respectfully requested.:

2. Rejection of Claims 2-4 Under 35 USC §103(a) in view of U.S. Patent Publication Nos. 2002/0069121 (Jain) and 2002/0194043 (Lidow)

It is respectfully noted that claims 2-4 have been canceled. Furthermore, it is respectfully submitted that the Jain and Lidow patents do not disclose or suggest, whether considered individually or in any reasonable combination, an inventory management system that includes the step of “*estimating a possible quantity of component parts supplied from the component part supplier based on spare parts records of the component parts supplier stored in the database,*” as recited in claim 1, much less the estimating step followed by the steps of writing the estimation into a document and then informing the supplier of the proportion of component parts to be supplied.

Instead, the Lidow publication teaches forecasting *customer demands* rather than supplier capabilities, based on *orders received by the customers* rather than on spare parts records. The Lidow supply chain is actually similar to the trusted intermediary embodiment disclosed in the Jain publication, in which manufacturer queries are handled by a trusted intermediary, and is not suggestive of the claimed monitoring of supplier capabilities and estimation of same. Accordingly, it is respectfully submitted that neither the Jain publication nor the Lidow publication is suggestive of the claimed invention, and withdrawal of the rejection

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based on the Jain and Lidow publications, to the extent that is may be prospectively applied to claims 1 and 7, is respectfully requested.

Having thus overcome each of the rejections made in the Official Action, withdrawal of the rejections and expedited passage of the application to issue is requested.

Respectfully submitted,

BACON & THOMAS, PLLC

A handwritten signature in black ink, appearing to be 'B. Urcia', written over a horizontal line.

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